UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

January 16, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 19 1953

Memorandum

To: C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2384 (Asbestos), Apache Asbestos Mines, Incorporated

Enclosed are two copies of a letter, dated January 12, 1953, from Louis S. Rayes, President of the Apache Asbestos Mines, Inc., requesting that docket DMEA 2384 be withdrawn. We have complied with the request in this letter.

W. H. King
W. H. King

Enclosure

January 12, 1952

Mr. W. R. Storms;

Chelf, U. S. Buear of Mines,

Box 4097,

Tucson, Arizona

Dear Sir:

Due to conditions beyond our control at this time we would like for you to withdraw our aplication for government assistance on the expiration basis that we applied for in 1952.

We would also like for you to return all the maps and photostatic copies of our lease that are possible and papers pertaining to our application.

Thank you for your co-operation in this matter and a Happy New Year to you and yours, I remain

Yours Truly

Apache Asbestos Mines, Inc.

By s/ Louis S. Rayes

Louis S. Rayes, President.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

August 28, 1952

Memorandum

To: C. O. Mittendorf, Acting Administrator
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: DMEA Docket 2384, Apache Asbestos Mines
Gila County, Arizona

Enclosed are two copies of a letter dated August 23, 1952, from Louis S. Rayes, President of the Apache Asbestos Mines, Inc., requesting us to withhold further action on their application for a period of 60 days.

W. H. King
W. H. King

Enclosures

COPY

APACHE ASBESTOS MINES, INC.
P.O. Box 983
Globe, Arizona

August 23rd, 1952.

Mr. W. R. Storms, Chief,
U. S. Bureau of Mines,
Box 4097,
Tucson, Arizona

Dear Sir:

We submitted an application for exploration work early in February of this year. Since that time conditions have changed considerably in our mine.

If possible, will you please withhold further action on our application for a period of about sixty days. By that time we hope to be in a position to offer a revised proposal that will be more suitable to our needs than the original program submitted.

Thanking you for the assistance you have given us in the past, we remain,

Very truly yours,

APACHE ASBESTOS MINES, INC.

By /s/ Louis S. Rayes

Louis S. Rayes, Pres.

LSR/d

C O P Y

BUR MINES DN 235 7-1-52

L. C. HOUK, DMEA

REURTELEPHONE - DMEA 2338 JAQUAYS ASBESTOS, FINAL REPORT EXPECTED THIS WEEK. DMEA 2384 APACHE ASBESTOS, APPLICANT HAS EXPOSED SOME GOOD GRADE ASBESTOS AND REQUESTS REPORT BE HELD UP UNTIL AUGUST 1 AS HE MAY DECIDE TO CANCEL LOAN APPLICATION. INFORMATION ON DMEA 2550 AND DMEA 2005 ARE AS GIVEN BY TELEPHONE.

W. H. KING

MIN PLS
END TWO MSGS PLS ACK FTM
ASSBSSS
MSG RECD OK PLV

C O P Y

C
O
P
Y

600

July 2, 1952

Hon. Ernest W. McFarland

United States Senate

My dear Senator McFarland:

Reference is made to your letter of June 26, 1952, requesting information on the following applications:

Bear Canyon Mining Company	DMEA-2550
Metate Asbestos Corporation	DMEA-2005
Apache Asbestos Mine	DMEA-2384
D. W. Jaquays Mining Co.	DMEA-2338

All of the above applications are being processed by the Denver Office of the Defense Minerals Exploration Administration, Region IV, under delegation of authority. On June 30th that office informed us regarding these application as follows:

Bear Canyon Mining Company, DMEA-2550 - Application for $25,000. A field Team examination will be made on this property as soon as possible.

Metate Asbestos Corporation, DMEA-2005 - Application for $150,760. The Denver staff and the applicant have been attempting to work out a mutually agreeable exploration assistance program.

Apache Asbestos Mine, DMEA-2384 - Application for $24,616.89. The applicant has exposed some good grade asbestos and requests report be held up until August 1 as he may decide to cancel loan application.

D. W. Jaquays Mining Company, DMEA-2338 - Application for $16,220. Final Field Team Report expected in Denver this week.

For further detail on these projects, it is suggested you contact the Denver Office of the Defense Minerals Exploration Administration, attention Mr. W. E. King, Bureau of Mines, 224 New Customhouse Building, Denver 2, Colorado.

Sincerely yours,

-S- 7/2

Acting Administrator
Defense Minerals Exploration
Administration

LGHouk:gad:mp 7/1/52
cc: Adm. Reading File
Mr. Bowles, 3522
Mr. Norton, G-232, GSA Bldg.
Operating Committee
Field Team, Region IV
Docket File
Mr. Houk

Form 5-1010
(April 1940)

CONTRACT NO. I-30-IND-1578

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF INDIAN AFFAIRS

BUREAU OF INDIAN AFFAIRS
RECEIVED
MAY - 2 1949
Washington, D. C.
9595

MINING LEASE—TRIBAL INDIAN LANDS

(FOR MINERALS OTHER THAN OIL AND GAS)

Apache Tribe, State of Arizona

THIS INDENTURE OF LEASE, made and entered into in quintuplicate this 2nd day of January, 1949, by and between L.O. Lester Oliver, Chairman of the ~~(Roe Ulerk, Chairman)~~ Tribal Council of the White Mountain Apache Tribe

L.O. Fort Apache Indian Agency (White River Agency), State of Arizona

for and on behalf of the Apache Tribe of Indians, designated herein as lessor, and Apache Asbestos Mines, Inc.

of Phoenix, State of Arizona

herein designated as lessee:

WITNESSETH

1. That the lessor, for and in consideration of $1, receipt whereof is hereby acknowledged, and of the royalties, covenants, stipulations, and conditions hereinafter contained and hereby agreed to be paid and observed by the lessee, doth hereby demise, grant, and lease unto the said lessee, the following-described tract of land lying and being within the Fort Apache Reservation, County of Gila and State of Arizona, to wit: one one-half miles NW in Salt River draw from Salt River on Southwest side of said draw, 4200 feet in length by 1500 feet in width

of section 6, township 6 N, range 17 E, [illegible] meridian, and containing 140 acres, more or less, for the full term of 10 years from the date of approval hereof, for the sole purpose of prospecting for and mining minerals, as follows: Asbestos

TM Guts

[illegible]

By Ernest E. Nuss
Attorney-in-Fact

RECEIVED
JUN 13 1949
16—15629
FORT APACHE AGENCY

the lessee to occupy so much only of the surface of said land as may be reasonably necessary to carry on the work of prospecting for, mining, milling, storing, and removing such minerals.

2. The term "Superintendent" as used herein shall refer to the superintendent or other official in charge of the Indian Agency having jurisdiction over the lands leased.

3. In consideration of the foregoing, the lessee hereby agrees:

(a) ROYALTY.—To pay, or cause to be paid, to the Superintendent, for the use and benefit of the lessor, or to the Treasurer of said Tribe where the tribe is organized under the act of June 18, 1934 (48 Stat. 984), as royalties, the sums of money as follows, to-wit:*

Ten per-cent of the market value of all asbestos fibre marketed.

Fred Kiazular

BY Ernest E. Snow
Attorney-in-Fact

All royalties accruing for any month shall be due and payable on or before the 25th day of the month succeeding.

(b) ANNUAL RENTAL.—To pay, or cause to be paid, to the Superintendent for the use and benefit of the lessor, or to the Treasurer of said Tribe where the tribe is organized under the act of June 18, 1934 (48 Stat. 984), in advance beginning with the date of approval of the lease, as annual rental, the following: [redacted] $1 per acre per annum in advance for each and every calendar year [redacted] during the continuance of the lease; it being understood and agreed that said sum so paid shall be a credit on the royalties accruing during the year for which the payment of annual rental is made, and that said annual rental when paid shall not be refunded to the lessee because of any subsequent surrender or cancelation hereof.

(c) DILIGENCE, PREVENTION OF WASTE.—To exercise diligence in the conduct of prospecting and mining operations; to carry on development and operations in a workmanlike manner and to the fullest possible extent; to commit no waste on the said land and to suffer none to be committed upon the portion in his occupancy or use; to comply with all the requirements of the laws of the State in which the land is located; to take appropriate steps for the preservation of the property and the health and safety of workmen; promptly to surrender and return the premises upon the termination of this lease to whomsoever shall be lawfully entitled thereto, in as good condition as received, excepting for the ordinary wear and tear and unavoidable accidents in their proper use; not to remove therefrom any buildings or permanent improvements erected thereon during the said term by the said lessee, but said buildings and improvements shall remain a part of said land and become the property of lessor, excepting the office fixtures and records, personal property, tools, pumping and drilling outfits, boilers, engines, and mining machinery, which shall remain the property of the lessee and may be removed at any time prior to 60 days after the termination of the lease by forfeiture or otherwise, provided the payments agreed upon by this lease have been made and the lease terms and regulations applicable thereto have been fully complied with, but not otherwise; not to permit any nuisance to be maintained on the premises under lessee's control, nor allow any intoxicating liquors to be sold or given away for any purpose on such premises; and not to use such premises for any other purposes than those authorized in this lease.

(d) DEVELOPMENT.—The land described herein shall not be held by the lessee for speculative purposes, but in good faith for mining the minerals specified; and the failure by the lessee in the diligent development and continued operation of the mine or mines, except when operations may be interrupted by strikes, the elements, or casualties not attributable to the lessee, shall be held as a want of compliance with the purposes of this lease and shall render it subject to cancelation: *Provided*, That whenever the Secretary of the Interior shall consider the marketing facilities inadequate or the economic conditions unsatisfactory, he may authorize the suspension of operations for such time as he may deem advisable, but such action will not release the lessee from the payment of the advance annual rental.

(e) MONTHLY STATEMENTS.—To keep an accurate account of all mining operations, showing the sales, prices, dates, purchasers, and the whole amount of minerals mined, the amount removed, and the gross receipts derived therefrom, and to furnish the Superintendent or the Treasurer of said Tribe if payments are made to him, sworn

* Here insert the royalties agreed upon in accordance with applicable regulations.

monthly reports thereon not later than the 25th of the succeeding month; and all sums due as royalty and advance rental shall be a lien on all implements, tools, movable machinery, and all other personal chattels used in operation upon said property, and upon all of the unsold minerals obtained from the land herein leased, as security for payment of said sums. An audit of the lessee's accounts and books shall be made annually or at such times as may be directed by the Superintendent by certified public accountants approved by the Secretary of the Interior and at the expense of the lessee. The lessee shall furnish free of cost a copy of such audits to the Secretary of the Interior through the Superintendent within 30 days after the completion of each auditing.

(*f*) REGULATIONS.—To abide by and conform to any and all regulations of the Secretary of the Interior now or hereafter in force relative to such leases: *Provided*, That no regulations hereafter approved shall effect a change in rate of royalty, the annual rental herein specified, or the term of this lease, without the written consent of the parties to this lease.

(*g*) ASSIGNMENT OF LEASE.—Not to assign this lease or any interest therein by an operating agreement or otherwise nor to sublet any portion of the leased premises, except with the approval of the Secretary of the Interior. If this lease is divided by the assignment of an entire interest in any part of it, each part shall be considered a separate lease under all the terms and conditions of the original lease.

(*h*) BOND.—To furnish such bond as may be required by the regulations of the Secretary of the Interior conditioned upon compliance with the terms of this lease.

4. MILLING.—All ores or minerals mined on said land shall be cleaned and prepared for market thereon, and no ore or crushed material shall be removed therefrom to be cleaned or prepared for market without the written consent of the Secretary of the Interior.

5. INSPECTION.—The leased premises and producing operations, improvements, machinery, and fixtures thereon and connected therewith and all books and accounts of the lessee shall be open at all times for inspection by agents of the lessor or any duly authorized representative of the Secretary of the Interior.

6. DISPOSITION OF SURFACE.—The lessor expressly reserves the right to lease, sell, or otherwise dispose of the surface of the lands embraced within this lease under existing law or laws hereafter enacted, such disposition to be subject at all times to the right of the lessee herein to the use of so much of said surface as is necessary in the extraction and removal of the minerals from the land herein described in accordance with this lease.

7. SURRENDER AND TERMINATION.—The lessee shall have the right at any time during the term hereof to surrender and terminate this lease or any part thereof upon the payment of all rentals, royalties, and other obligations due and payable to the lessor, and the further sum of $1, upon a showing satisfactory to the Secretary of the Interior that full provision has been made for the conservation and protection of the property, the lease to continue in full force and effect as to the lands not so surrendered. If this lease has been recorded lessee shall file a recorded release with his application to the Superintendent for termination of this lease.

8. CANCELATION AND FORFEITURE.—When, in the opinion of the Secretary of the Interior, there has been a violation of any of the terms and conditions of this lease before restrictions are removed, the Secretary of the Interior shall have the right at any time after 30 days' notice to the lessee, specifying the terms and conditions violated, and after a hearing, if the lessee shall so request within 30 days of receipt of notice, to declare this lease null and void, and the lessor shall then be entitled and authorized to take immediate possession of the land.

9. HEIRS AND SUCCESSORS IN INTEREST.—It is further covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

10. GOVERNMENT EMPLOYEES CANNOT ACQUIRE LEASE.—No lease, assignment thereof, or interest therein will be approved to any employee or employees of the United States Government whether connected with the Indian Service or otherwise, and no employee of the Interior Department shall be permitted to acquire any interest in such leases by ownership of stock in corporations having leases or in any other manner.

IN WITNESS WHEREOF, the said parties have hereunto subscribed their names and affixed their seals on the day and year first above mentioned.

Two witnesses to execution by lessor:

Lester Oliver Chairman [SEAL]

P. O. Whiteriver, Arizona

Paul Johnson [SEAL]

P. O. Whiteriver Ariz

Vice Chairman

Two witnesses to execution by lessee:

APACHE ASBESTOS MINES, INC.

By: President [SEAL]

P. O.

P. O.

Attest: Secretary

ACKNOWLEDGMENT OF LESSOR

STATE OF Arizona
COUNTY OF Navajo } ss:

Before me, a notary public, on this 27th day of April, 1949, personally appeared Lester Oliver, to me known to be the identical person, who executed the within and foregoing lease, and acknowledged to me that he executed the same in his official capacity as Chairman of the Tribal Council of the Apache Tribe and as his free and voluntary act and deed for the uses and purposes therein set forth.

MY COMMISSION EXPIRES MAY 1, 1951

My commission expires

Notary Public

UNITED STATES DEPARTMENT OF THE INTERIOR

Washington, D. C., ..., 19...

The within lease is hereby ..... approved.

Assistant Secretary of the Interior

Filed for record this ..... day of ....., 19..

at ..... o'clock ..... m.

Rental received, $.....

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
WASHINGTON 25, D. C.

APPROVED: DEC 21 1949

Sgd. H. M. Critchfield

Acting Commissioner of Indian Affairs

Amendments of mining lease

That certain mining lease executed under date of 2 January 1949 and effective from the date (21 December 1949) of its approval by the Acting Commissioner of Indian Affairs, by and between Lester Oliver, Chairman of the Tribal Council of the White Mountain Apache Tribe of the Fort Apache Indian Reservation, for and on behalf of the White Mountain Apache Tribe of Indians, as lessor, and Apache Asbestos Mines, Inc., a corporation, of Phoenix, Arizona, as lessee, and designated in the Office of Indian Affairs as Contract No. I-30, Ind. 2578, is hereby amended as follows and not otherwise.

1. By inserting immediately after the words "containing 140 acres, more or less," appearing in the paragraph numbered 1 thereof the following:

   "all as more particularly shown by the map drawn by D. W. Jacquays, a licensed engineer, attached hereto and by this reference made a part hereof".

2. By deleting the words "Ten per-cent of the market value of all asbestos fibre marketed." appearing in the paragraph numbered 3-(a) thereof; and by inserting in lieu thereof the following:

   "One dollar ($1.) per 2,000 pound ton of asbestos ore removed from said leased premises; provided however that lessee shall pay beginning on 25 May 1951 minimum royalties in an amount of not less than $100. per month; and provided further however that such royalties shall not be less than 10 percent of the value, at Globe, Arizona, of all asbestos ore marketed. Minimum royalties for any month shall be payable only to the extent that all earned royalties paid prior thereto

are less than $100. multiplied by the number of months elapsed since 25 April 1951."

3. By deleting in its entirety the paragraph numbered 4 thereof.

Executed at the places and on the dates set opposite the signatures of the parties hereto, respectively, as follows:

Whiteriver, Arizona

September 1950

White Mountain Apache Tribe

by Nelson Lupe

Nelson Lupe
Chairman of its Council

and

Mary C. Endfield

Mary C. Endfield
Secretary of its Council

Phoenix, Arizona

28th August 1950

Apache Asbestos Mines, Inc.,
a corporation,

by Rudy L. Gilbertson its President

and

John E. Madden its Assistant Secretary

(corporate seal)

Department of the Interior
Washington, D. C.
APPROVED:

Assistant Secretary

Acknowledgment of lessor

State of Arizona)
)
County of Navajo)

On 13th September 1950 before me, a notary public in and for Navajo County, Arizona, whose commission expires on MY COMMISSION EXPIRES JAN. 29, 1952 195 , personally appeared Nelson Lupe and Mary C. Endfield, both known to me and known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged that they had executed such instrument in their official capacities as Chairman and Secretary, respectively, of the tribal council of the White Mountain Apache Tribe for the purposes therein contained.

George E. Simpson

(notarial seal)

Acknowledgment of lessee

State of Arizona)
)
County of Maricopa)

The foregoing instrument was on 28th August 1950 acknowledged by Grady B. Gulledge and John E. Madden as President and Assistant Secretary respectively, of Apache Asbestos Mines, Inc., a corporation, before me, a notary public in and for Maricopa County, Arizona, whose commission expires on November 9 1953.

Mabel Robisch

(notarial seal)

Resolution No. [illegible]33

Resolution

BE IT RESOLVED by the Council of the White Mountain Apache Tribe of the Fort Apache Indian Reservation, in special meeting assembled on 16 August 1950 as follows:

That Nelson Lupe and Mary C. Endfield, Chairman and Secretary respectively of such Council, are authorized and directed to execute on behalf of such Tribe those certain amendments to its mining lease with Apache Asbestos Mines, Inc., a corporation, which are specified in the document attached hereto and made a part of the minutes of this meeting.

The foregoing resolution was on 16 August 1950 duly approved by a vote of 9 for and 0 against, by the Tribal Council of the White Mountain Apache Tribe, pursuant to authority vested in it by Article VI, Section 1-(c), of the Constitution of such Tribe, ratified by such Tribe on 15 August 1938, and approved by the Secretary of the Interior on 26 August 1938, pursuant to Section 16 of the Act of 18 June 1934 (48 Stat. 984).

Nelson Lupe
Nelson Lupe
Chairman of the Tribal Council

Mary C. Endfield
Mary C. Endfield
Secretary of the Tribal Council

Recommended by:

R. D. Hall
Superintendent

* * * * *

I certify that the above is a true, full and correct copy of Resolution No. 50-33 approved by the Tribal Council on 16 August 1950.

Mary C. Endfield
Mary C. Endfield
Secretary of the Tribal Council

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

January 16, 1953

Defense Minerals Administration
RECEIVED
JAN 19 1953

Memorandum

To: C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2384 (Asbestos), Apache Asbestos Mines, Incorporated

Enclosed are two copies of a letter, dated January 12, 1953, from Louis S. Rayes, President of the Apache Asbestos Mines, Inc., requesting that docket DMEA 2384 be withdrawn. We have complied with the request in this letter.

W. H. King
W. H. King

Enclosure

January 12, 1952

Mr. W. R. Storms;
Cheif, U. S. Buearu of Mines.
Box 4097.
Tucson, Arizona

Dear Sir:

Due to conditions beyond our control at this time we would like for you to withdraw our aplication for government assistance on the expiration basis that we applied for in 1952.

We would also like for you to return all the maps and photostatic copies of our lease that are possible and papers pertaining to our application.

Thank you for your co-operation in this matter and a Happy New Year to you and yours, I remain

Yours Truly
Apache Asbestos Mines, Inc.
By s/ Louis S. Rayes
Louis S. Rayes, President.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

August 28, 1952

BL

Memorandum

To: C. O. Mittendorf, Acting Administrator
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: DMEA Docket 2384, Apache Asbestos Mines
Gila County, Arizona

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W. H. King

W. H. King

Enclosures

COPY

APACHE ASBESTOS MINES, INC.
P.O. Box 983
Globe, Arizona

August 23rd, 1952.

Mr. W. R. Storms, Chief,
U. S. Bureau of Mines,
Box 4097,
Tucson, Arizona

Dear Sir:

We submitted an application for exploration work early in February of this year. Since that time conditions have changed considerably in our mine.

If possible, will you please withhold further action on our application for a period of about sixty days. By that time we hope to be in a position to offer a revised proposal that will be more suitable to our needs than the original program submitted.

Thanking you for the assistance you have given us in the past, we remain,

Very truly yours,

APACHE ASBESTOS MINES, INC.

By /s/ Louis S. Rayes

Louis S. Rayes, Pres.

LSR/d

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

JUL 2 - 1952

Hon. Ernest W. McFarland

United States Senate

My dear Senator McFarland:

Reference is made to your letter of June 26, 1952, requesting information on the following applications:

Bear Canyon Mining Company	[illegible]-2350
Metate Asbestos Corporation	[illegible]-2005
Apache Asbestos Mine	[illegible]-2384
J. W. Jaquays Mining Company	[illegible]-2338

All of the above applications are being processed by the Denver office of the Defense Minerals Exploration Administration, Region IV, under delegation of authority. On June 30th that office informed us regarding these applications as follows:

Bear Canyon Mining Company, [illegible]-2350 - Application for $[illegible],000. A Field Team examination will be made on this property as soon as possible.

Metate Asbestos Corporation, [illegible]-2005 - Application for $15,764. The Denver staff and the applicant have been attempting to work out a mutually agreeable exploration assistance program.

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J. W. Jaquays Mining Company, [illegible]-2338 - Application for $16,420. Final Field Team Report expected in Denver this week.

For further detail on these projects, it is suggested you contact the Denver office of the Defense Minerals Exploration Administration, attention Mr. W. H. King, Bureau of Mines, 24 New Customhouse Building, Denver 2, Colorado.

Sincerely yours,

C. O. Mitchell

Acting Administrator
Defense Minerals Exploration
Administration

LOHook:gad 8/1/52
Copy to: Admin. Reading File
Dr. Bowles, 3522
Mr. Norton, G-232 C. A. Bldg.
Operating Committee
Field Team, Region IV
Docket File
Mr. Hook

DMEA-2384

LOUIS S. RAYES, President
HENRY P. BREWER, 1st. Vice-President

BARRY DeROSE, Secty.-Treasurer

GRADY B. GULLEDGE, Sales Dept.
JOHN F. MERCER, Jr., 2nd. Vice-President

APACHE ASBESTOS MINES
INCORPORATED

"Finest Soft, Iron Free Fibre"

P. O. BOX 983

PHONES 68 OR 432

GLOBE, ARIZONA

February
8 th
1952

J. H. Bast, Jr.,
Regional Director, Region IV.
U. S. Bureau of Mines,
Old New Customhouse,
Denver 2, Colorado.

Dear Sir:

Enclosed please find Form MP-103 and copies of form MP-100 as forwarded to Washington, D. C. on May 18, 1951.

The reason I am attaching the copies of Form MP-100 is that Mr. Lincoln Stewart of Tucson, Arizona, informed me this would expedite the acquisition of the loan.

I have not attached the maps to Form MP-100 as the maps attached to Form MP-103 are practically the same as those attached to Form MP-100 which is on file in Washington, D. C.

If there is any additional information you desire, I would greatly appreciate your informing me and I will supply you with same immediately.

Anything that you might be able to do to expedite this matter will be greatly appreciated by our company.

Sincerely yours,

APACHE ASBESTOS MINES, Inc.

Barry DeRose

Barry De Rose
Secretary-Treasurer

BDR/c
Encls

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

Not To Be Filled in by Applicant

Docket No. DMEA-2384
Metal or Mineral
Date Received 2-19-52
Amount $
Participation (Government %)

FEB 1 1952

APACHE ASBESTOS MINES, INC.
P. O. BOX 983
Globe, Arizona

Name and address of applicant

Date February 8, 1952

If you have already filed MF-100, give date filed May 18, 1951, type of assistance requested ~~Acquisition of Serial No.~~,

DMA Docket Number (if available) ~~0041~~

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

   (*b*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application.

   (*c*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

   NOTE: (1) If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*c*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract.

2. (*a*) What metals or minerals do you expect to find?

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

APACHE ASBESTOS MINES, Inc.
(Name of company)

By Barry DeRose
(Signature of authorized official)

February 8, 1952
(Date)

Secty-Treasurer
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

APACHE ASBESTOS MINES, INC.
P. O. Box 903
Globe, Arizona

To accompany Form MF-103 submitted by Apache Asbestos Mines, Inc.

Item 1 - a. The property consists of seven unpatented lode mining claims containing 140 acres under a ten year lease from the Apache Indian Agency and twelve additional claims applied for and granted by the Apache Indian Agency, said lease subject to approval of Bureau of Indian affairs. These claims are located approximately fifty miles northwest from Globe, Gila County, Arizona, and are located about one and one-half miles northwest from the junction of the Salt River and Salt River Draw and six miles west down stream on the Salt River from Highway 60 crossing of the Salt River in Section 6, T. -6- N., R. -17- E.

COPY

Item 1 - b. A copy of the lease on the above group of mining claims from the Tribal Council of the White Mountain Apache Tribe of the Fort Apache Indian Reservation and the Apache Asbestos Mines, Inc. is attached as Exhibit 4. There are no liens on the property and the landlord will sign or will subordinate his interest in the property in the event exploration money is granted.

Item 1 - c. The areas to be explored are located in Apache Claims No. 4 and 5. The North area to be explored will be in an area approximately 200 feet north of the No. 1 drift as shown on Map No. 2. The south area to be explored will start at approximately the north side

line of No. 4 claim, 4300' south of No. 1 drift, for one drift and at approximately the center line of No. 4 claim for another drift. The total of 900' of exploration drifts is proposed to be done in these three drifts as stated. In each of these drifts it is proposed to drive them approximately 300' into the area to be explored.

Item 2 - a. The only product of this operation will be soft low iron content Chrysotile Asbestos Fiber of spinning and filter grades.

Item 2 - b. For geology see D. W. Jaquays Report, Exhibit "B".

COPY

Item 3 - a. The proposed work for which government money is desired will consist of advancing three separate drifts for a distance of 300' each as shown on Map No. 2. The estimated cost of the proposed project will be as follows:

	Detail	
Rented Equipment	Item 7-a	$ 2,400.00
Equipment to be purchased	Item 7-b	3,535.00
Labor required	Item 8	8,640.00
Payroll Taxes & Insurance	Item 8	1,245.89
Materials, Supplies and other expense	Item 9	5,996.00
Moving In	Item 9	750.00
Total Cost of Project		$24,616.89

COPY

Item 3 - b. The time required to complete this project will be as follows:

Move in - - - - - 15 working days

Driving 900' of new drift at 5' per day - 180 working days

Total of 195 working days

or approximately eight months of twenty-five working days each.

Item 4 See Map No. 2 showing mine workings and area to be explored.

COPY

Item 5 Existing facilities consist of the following:

Housing

Campsite consists of the following facilities:

16 house trailers

2 toilet trailers

2 laundry trailers

1 office trailer

Nine of these trailers are fully equipped, with heating units installed, and the men working on the proposed exploration project will be housed in these trailers. All of the trailers are in good livable condition and will need no expenditures for repairs or rehabilitation.

Water

At present there are installed and in operation two water tanks of galvanized iron, with capacities of 2,000 and 10,000 gallons. Pipe line is laid from Salt Draw to the mine and campsite and water is piped by means of two high pressure gasoline pumps. Water supply is adequate as Salt Draw flows the year round.

Shop

Shop equipment consists of welding outfit; forge, anvil and blower; pipe vises and threaders and tools enough to do whatever emergency work is necessary.

Communication

Telephone communication has been established between the mine and camp so as to handle promptly any emergency that may arise.

COPY

Item 5 (cont'd.)

Access Road to mine

Four miles of access road to the present working have been built at a cost of approximately $10,000.00.

COPY

Item 6 There will be no additional facilities required and present facilities will require no further expense.

COPY

Item 7 - a. Rented equipment:

one 210 CFM Diesel powered compressor at approximately $300.00 per month

8 months working time at $300.00	$2,400.00

b. Equipment to be purchased:

3 drill units jackhammer) jackleg) 3 Units at $700.00 each spare parts) steel)	2,100.00
1 air receiver	100.00
3 ore cars at $210.00	630.00
1800' 1" pipe at 25¢	450.00
1600' 2" pipe at 45¢	720.00
Miscellaneous fittings	100.00
1050' double track, 16# rails 5½ tons at $180.00	990.00
Ties, Spikes, Splice plates, etc.	150.00
300' air hose at 65¢	195.00
300' water hose at 50¢	150.00
Total cost - Equipment to be purchased	$5,585.00

c. Operating Equipment to be furnished by applicant:

one pickup truck

Compressed air for north tunnel will be supplied at no charge from applicant's compressor located at No. 1 tunnel, now being operated by the applicant.

COPY

Item 8 Labor required:

1 machine man	$11.00	per	day
2 muckers at $8.00	16.00	"	"
1 cobber	9.00	"	"
1 foreman	12.00	"	"
Total per day	$48.00		

180 working days at $48.00 per day $8,640.00

Payroll Taxes & Insurance:

Federal Old Age Benefits	1.5%
Unemployment Insurance (State & Federal	3.0
Workmen's Compensation Ins.	9.92
Total	14.42%

Total Payroll $8640.00 at 14.42% 1,245.89

Total $9,885.89

COPY

Item 9 Estimated costs of supplies, materials and other expense:

Explosives - 3000# at 22.10 cwt		$663.00	
Caps 2000 at 20.75 M		41.50	
Fuse 15000' at 13.10 M		196.50	$901.00
Fuel and Oil (Compressor)			
36 gallons per day at 16¢		5.76	
Compressor oil		.74	
Cost per day		$ 6.50	
180 working days at $6.50			1,170.00
Bits and Steel included in with cost of three drill units to be purchased, listed under Item 7-b			
Truck Expense			
Distance from mine to Globe 100 miles. 90 round trips or 9000 miles at 10¢			900.00
Timbers - 9 [illegible] feet at $75.00			675.00
Accounting - Public Accountant at $125.00 per month - 8 months			1,000.00
Miscellaneous Mine Expense not otherwise accounted for Total of 180 days at $7.50 per day			1,350.00
Total Materials and Other Costs			$5,996.00
Cost of Moving in - 15 working days at $50.00			$ 750.00

COPY

Item 10 - a. The applicant is prepared to supply housing, water and access road facilities as well as $2,500.00 in cash to cover his share of this project.

b. This application is for a sum total of $24,016.89. The applicant's share of $2500.00 is sufficient to cover the required 10 per cent. Also, facilities listed under Items 5 and 7-c are furnished without charge

COPY

Item 11 The applicant has just completed four miles of mine access road at a cost of approximately $10,000.00. This road extends as far as the No. 1 mine area or the area to be explored by funds requested in this application. The No. 1 tunnel area is now being operated by the applicant with a crew of nine men. The proposed tunnels adjacent to the area now in operation are in areas where good prospects of commercial ore may be expected so this exploration program should be well warranted.

COPY

REPORT ON:

APACHE ASBESTOS MINES, INC.
Salt River Asbestos District
Gila County, Arizona

Item 2 - (B)
Exhibit B

by

D. W. Jaquays, Mining Engineer
Phoenix, Arizona

I.
PROPERTY

The property consists of seven claims, under lease from the Apache Indian Agency, located about 1½ miles northwest from the junction of the Salt River and Salt River Draw in Section 6, T.-6-N., R.-17-E.

The claims are located with the outcrop crossing the side lines. The side lines adjoin so that the claims cover about 140 acres, with 4200 feet on the strike or along the outcrop, and 1500 feet on the dip.

II.
ACCESSIBILITY

Salt River Draw, where the property is located, enters the Salt River on the north bank, about 6 miles Westerly from the bridge where Highway 60 crosses the Salt River. A well-graded road was constructed under the Mine Access Road Projects during the World War II from Salt River up Salt Draw Canyon to about one mile northerly on the east bank of the Salt River Draw. The main workings on the property are on the west side of the Salt Draw, and may be reached over a newly constructed mine road.

III.
GEOLOGY

Typical of the other asbestos producing areas in the district, the ore occurs in the mescal limestone, intruded by sills and dykes of diabase, and is capped by Troy quartzite and underlain by the Dripping Springs quartzite. The ore in this particular deposit is in a segment of the mescal limestone from 10 to 15 feet in thickness, capped and underlain by thick diabase sills along the bedding plane of the limestone. Alteration in the

limestone has formed a bed of green serpentine from 18" to 24" in thickness in which a total of 1-1/2" to 3" of soft asbestos has formed.

IV.
WORKINGS

The major workings consist of a drift about 330 feet in length into the west side of the cliff, with irregular workings and stopes to about 50 feet in width. The serpentine is continuous in this area, and shows from 18" to 24" in thickness, with from 4" to 12" of mill rock, carrying veinlets from a fraction of an inch up to 1" in thickness of soft asbestos. There is another drift 280 feet north of the mine workings, having a length of 55 feet into the cliff, where similar conditions of serpentine and asbestos occur. Prospecting along the outcrop indicates a continuous occurrence of the asbestos and the serpentine for practically the 4200 feet on the outcrop.

V.
ORE POSSIBILITIES

The main workings cover an irregular area 400 feet by 300 feet and have fiber exposed on all faces. In all of the workings driven to date, there is an average of 1½" to 2" of combined fiber; this would place the blocked out tonnage of fiber at 1722 tons or approximately 5200 tons of 30% mill rock.

With the outcrop for 4200 feet in length, all showing the occurrence of asbestos, a large tonnage is possible from this property. Development is required to prove this, and the indications warrant that this development to be done.

The estimated blocked out ore is computed as follows:

Allowing for pillars - 124,000 sq. ft.

Estimated average combined thickness of asbestos veins - 2 inches

$124{,}000 \times \frac{2}{12} = 20{,}666$ cu. ft.

$\frac{20{,}666}{12} = 1722$ tons fiber @ \$300.00 = \$516,600.00 Gross Value

VI.
RECOMMENDATIONS

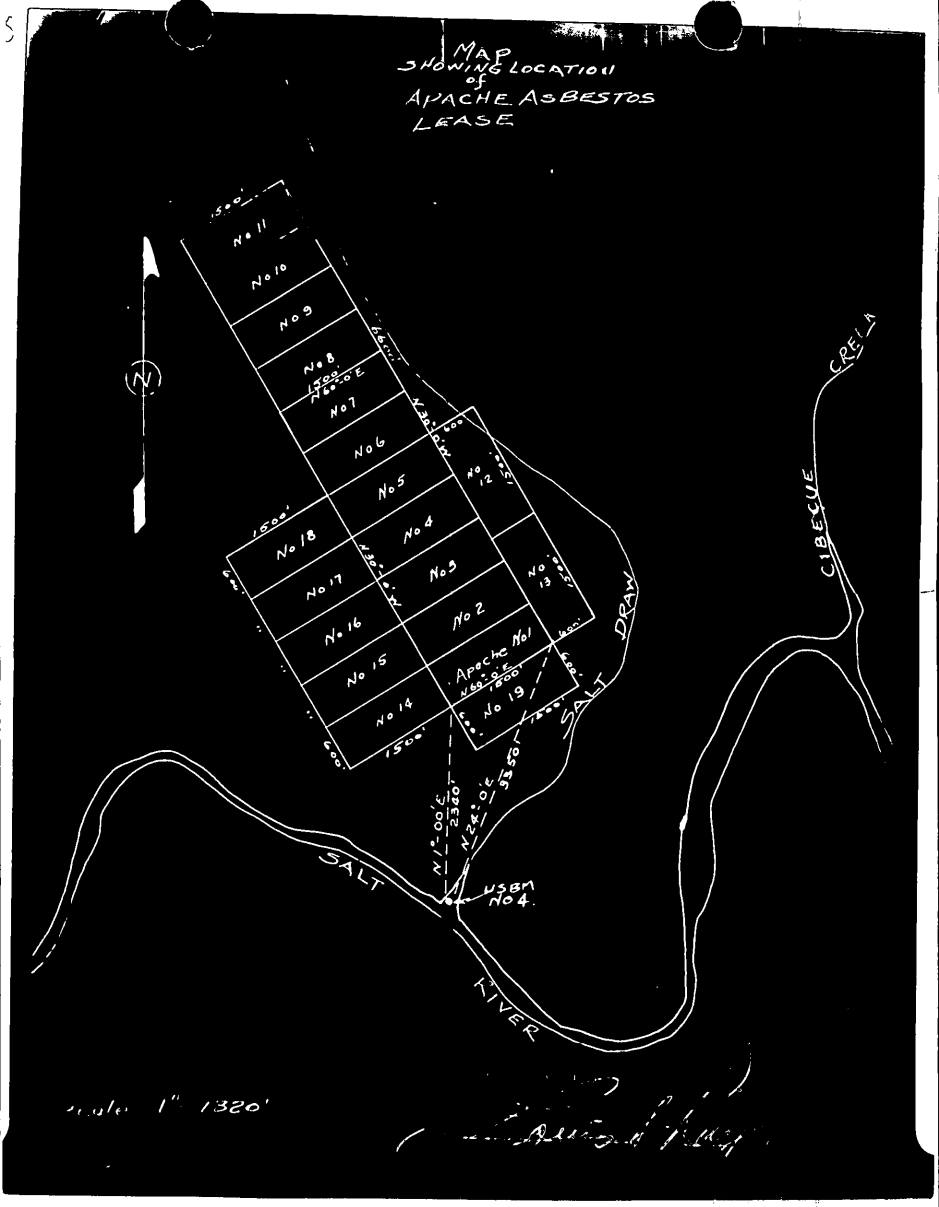
It is recommended that underground development should consist of driving drifts on the vein at 300 foot intervals along the outcrop in the general area now partially developed by No. 1 Tunnel. These drifts, in order to fully develop the above mentioned area, should be driven at least 300 feet on the vein.

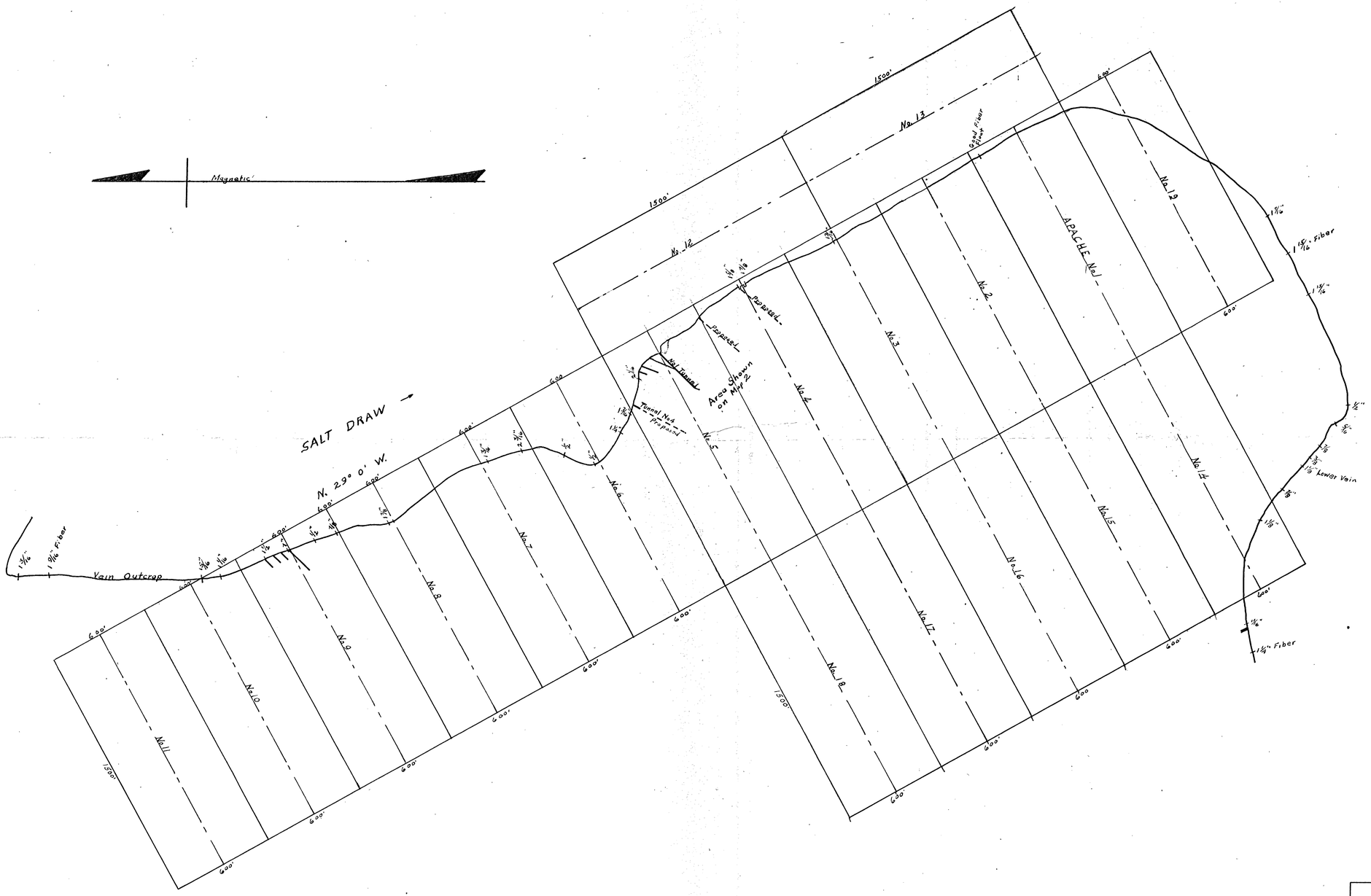
It is possible after the development drifts have advanced, say, 100 feet, that a lateral drift stope can be started not less than 50 feet from the outcrop. Fifty feet of fringe pillar should be left at the outcrop to insure good support of the mine workings.

Respectfully submitted,

D. W. Jaquays
Registered Mining Engineer

MAP
SHOWING LOCATION
of
APACHE ASBESTOS
LEASE

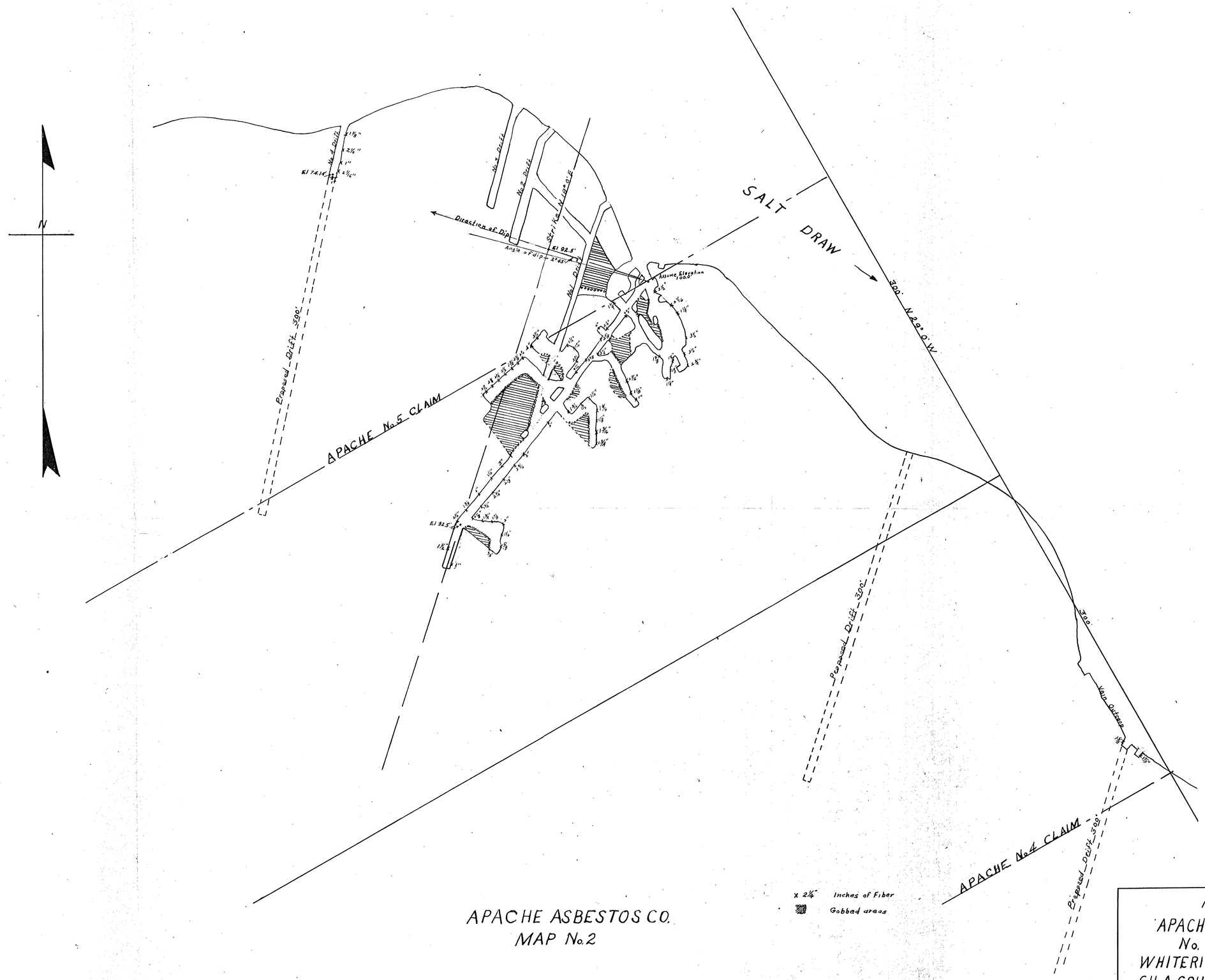




APACHE ASBESTOS CO.
MAP No. 1

Note
Fiber figures indicate summation of total fiber in vein

MAP
OF
APACHE ASBESTOS CLAIMS
WHITERIVER RESERVATION
GILA COUNTY, ARIZONA
SCALE 1" = 300' DEC. 20, 1951
D.W. JAQUAYS REGISTERED ENGINEER



APACHE ASBESTOS CO.
MAP No. 2

MAP
of
APACHE ASBESTOS CO.
No. 1 MINE
WHITERIVER RESERVATION
GILA COUNTY, ARIZONA
SCALE 1" = 40' DEC 20, 1951
D.W. JAQUAYS REGISTERED ENGINEER